

KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD

Small Employer Health Options Program (SHOP) Subcommittee

Meeting Minutes

November 7, 2012

Call to Order and Roll Call

The third meeting of the SHOP Subcommittee was held on Wednesday, November 7, 2012, at 1:30 p.m. in the Large Conference Room at the Office of the Kentucky Health Benefit Exchange. Miriam Fordham, Director, Division of Health Care Policy Administration of the Office of the Kentucky Health Benefit Exchange, acting on behalf of Jeffrey Bringardner, Chair, called the meeting to order at 1:30 p.m., and the Secretary called the roll.

Subcommittee Members Present: Jeffrey Bringardner, Chair (by phone), Dr. Richard Broeg (by phone), Dr. Joe Ellis (by phone), Edward Erway, Carl Felix, Shelley Gast (by phone), Jan Gould, Connie Hauser, Harry Hayes, Brian Sunderland, Dr. Larry Tinius (by phone), and Bob Weiss.

Staff Present: Reina Diaz-Dempsey, Miriam Fordham, Wanda Fowler, Kris Hayslett, Brenda Parker, Melea Rivera, and Gary Smith.

Addition of New Members

Chairman Bringardner introduced the new subcommittee members: Paul Brophy (by phone), and Terry Brown.

Approval of Minutes

A motion was made to accept the minutes of the October 24, 2012, meeting as submitted, seconded, and approved by voice vote.

Blueprint Item 6.1a: Level of Coverage Options in SHOP (All small employer plans available to employees)

Melea Rivera, Insurance Program Manager, Office of the Kentucky Health Benefit Exchange, briefed the subcommittee on discussions with the actuaries at the Department of Insurance about questions raised due to employer offerings of metal levels to employees. Employers can select one plan with a specific issuer, one metal level where all QHPs in the metal level would be available and/or at a State's option, multiple QHPs. The members discussed the pros and cons of the various Qualified Health Plans (QHP) options that could be selected by employers. In situations where multiples QHPs could be offered among metal levels, adverse selection could occur. A shop and compare tool will be available to an employer to assist in choosing his or her plan options.

The members discussed tax credits available to employers on the SHOP Exchange. An employer must pay at least 50 percent of the QHP premium amount to be eligible for a tax credit through the Exchange. Employers are only eligible for tax credits if they participate in the SHOP Exchange.

A motion was made that the SHOP allow employer choice that includes only touching or contiguous metal levels, seconded, and approved by voice vote.

Open Enrollment

Ms. Rivera briefed the subcommittee members on the requirement of the SHOP Exchange to establish a uniform enrollment timeline and process for all Qualified Health Plan (QHP) issuers and employers. The members discussed the activities to be completed during this time frame and the time needed for each activity. These activities include determining employer eligibility, employer selection of QHPs and metal level of coverage for his or her employees, the processing of employee enrollments by the SHOP Exchange and the issuer, and establishing effective dates of employee coverage.

A decision on this issue is not needed for the Exchange Blueprint application, but a decision will need to be made to complete the information system specifications and implementing regulations for the SHOP Exchange. The members were not ready to make a formal recommendation on this issue. The Subcommittee members proposed that the administration of the SHOP be open minded about timeframes and take into consideration the time needed by: (1) employers to make a decision regarding the plans to be offered to employees; (2) employees and their families to make individual decisions regarding their plan options; and (3) processing time for issuers to receive eligibility information and payments and to enrollee employees in a plan.

Other Business

The next meeting of the subcommittee is scheduled for Thursday, December, 6, 2012 at 1:30 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. A call-in number will be available for members who are unable to attend.

Adjournment

The meeting was adjourned at 2:45 p.m.